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# Lessons of the War in Shifting Labor

By JOHN B. DENSMORE

TO one who has struggled night and day for many months over the problem of mobilizing and demobilizing war labor there can be but one answer to the query suggested for the title of this article by the Editor of these *Annals*. Without an industrial army of from four to ten members for each soldier, military forces would be literally cannon fodder. Without food, clothing, shelter, transportation and ordnance furnished, not by levy upon occupied territory, but by well organized forces at home, the modern army is entirely helpless. At the lowest estimate made by statisticians, that of four industrial workers per fighter, our army of three and a half million was demanding in November, 1918, the full productive efforts of fourteen million persons, or two-fifths of the entire number of men, women and children computed to be engaged in gainful occupations in this country. To attempt to recruit and properly place this number of workers by any other than federal means, at the same time drawing from the ranks of wage-earners for the armed forces, would have been as impossible as to have left the formation of our army and navy entirely to private and state initiative. The need of a federal employment service for mobilization and demobilization is a lesson of the war that would seem to require no demonstration.

Yet the actual methods by which workers secured employment and employers labor before the war and in the early months of the war before appropriations were made for the government emergency employment service throw light on various phases of the general problem and suggest other lessons that are pertinent to the subject. The successes and failures of the United States Employment Service in attempting to use every available method and employment agency in recruiting labor as rapidly as our expanding war program necessitated, throw still more light and suggest other lessons that should contribute to any discussion of after-the-war handling of problems of employment measures.

Transfer of workers in this country has rested on two theories.

In one case labor, particularly common labor, recruited in large measure from the foreign born, was considered an article of commerce. Agents made it their business to provide so many laborers, with no questions asked as to methods of recruiting, and few of the fitness of the laborers. In order to lessen for the employer the costliness of this hit and miss method, there was developed a custom of having five or ten men for every job appear at the gates of the plant. By this expedient the better men, judged by superficial appearance at least, could be chosen. By this means with its obvious suggestion of current unemployment, unrest over wages and working conditions could be kept at a minimum. I do not mean to accuse the employers of this country of deliberately planning and carrying out over a long period of years a policy to exploit the workers. The system grew. Lack of adequate and scientific means of combatting unemployment for the worker and unfit supplies of labor for the employer fostered it. The continual increase in immigration rising from 114,371 in 1845 to 1,218,480 in 1914 fostered it. The shift of the source of immigration from the northern European countries to the southern, with a corresponding shift from men typically literate and individualistic to men who have usually come in without education and with some degree of docility to political and economic conditions, fostered it.

The other system of employment in vogue in this country was to consider the individual fully competent to choose his job and to find it for himself. Was he a farmer, and had the farming center of the country shifted from New England where birth had placed him, to Kansas or even to California? Let him read! There were magazines and papers and agent's pamphlets galore to enlighten him. If he acted on the advice of subsidized magazines and pamphlets written by unscrupulous men who had never seen the land described, it was the individual's misfortune or lack of judgment. Was he a building contractor, marooned in a section that must spend a decade recovering from an ill-advised "boom"? Probably some fellow craftsman would sooner or later drift into town and tell him that Pasadena or Kalamazoo or Richmond, Indiana, would "offer big money to a man of his stripe." The cities of this country have been full of this type of employment information and misinformation. Saloons have been com-

mon centers of dissemination. A huckster plying his trade eleven months a year in St. Louis, on mere hearsay after a period of family misfortune, made his way to Minneapolis, where long winters make the street sale of foodstuffs unprofitable for many weeks. The number of serious-minded wage-earners who have annually followed such will-of-the-wisps is incalculable. Casual inquiry among the wage-earners in any city at any time, but particularly in an era of rising cost of living, would disclose a large number who had come or were about to depart with only mouth to mouth information on which to go. Inquiry among the unemployed would naturally show a still higher percentage of reliance on this flimsy and inaccurate information. Secretary of Labor Wilson pointed it out as a basis of unrest and unemployment when in a hearing before the Committee on Labor of the House of Representatives in 1916, he spoke in favor of a bill to establish a national employment bureau,

It is obvious that either method of employment cited, that of using an agent whose one interest is in furnishing a given number of workers at a given time and place, or of leaving the entire problem to individual initiative, is hopelessly inadequate, and that the burden of this inadequacy falls most heavily on the man who is least prepared to bear it. The honest uneducated wage-earner, whether immigrant congregated with his fellows in a city or American isolated in his native village, deprived of information on the location of suitable employment, may become a malcontent, a drifter, a loafer or a tramp without making known to the world the cause of his ruin.

Many attempts have been made by individuals, institutions and states to remedy the existing situation. Some of the fee employment bureaus have been run on an honest, even non-commercial basis. Many of them have done good work in a limited field. Others, even those which operate in well-kept offices and made every attempt to fit worker to work are leeches on our economic life. The seasonal character of their work may explain why it is necessary for a teacher's agency to charge \$80 for the half-dozen letters, interviews and telegrams used to place a teacher at a salary of \$800. It does not prove that the procedure is not costly out of all proportion.

Within the limits of their jurisdiction many states developed

more or less efficient bureaus. Where these services failed to be effective the failure has characteristically been due to limitations inherent in a state institution, namely, in the fact that the industry is not state delimited, and that few if any states can afford adequate supervision by highly trained, highly paid executives.

Organizations and institutions have in many cases organized employment systems that are thoroughly honest and that have the value of technical knowledge of what they offer. The chief disadvantage of this type of employment information lies in the narrowness of its field of inquiry. It is difficult for the vocational director of a literary college, perhaps carrying on her work after teaching hours, to keep in touch with fields other than teaching. It is not expected that the bricklayers union shall be able to furnish information to a member or a member's son who wishes to become a plumber.

A federal employment service was in existence at the beginning of the war. Created during the financial depression of 1917 to correct some of the evils of unregulated immigration and the contract system, it existed until 1917 with only one office, that at the chief port of entry, New York. Since that time it had been allowed gradually to expand geographically and in the scope of its work, although still nominally a part of the Bureau of Immigration, and attempted to meet its stupendous problem with an annual outlay of a few hundred thousand dollars. When in December, 1917, the production bureaus of the government studied the labor employment problem from the angle of the war needs, there were some ninety offices in as many industrial centers which had in the past year placed 283,000 workers. The Employment Service had hardly scratched the surface of the problem of war labor. Every one of the government departments and every corporation engaged in the production of material for government use felt its individual responsibility for getting results and they went out into the market for men no matter what the cost and no matter what effect it might have upon other industries that were equally essential in the maintenance of the war.

The lesson was obvious. A federal system with a hopelessly inadequate budget was useless for the emergency. In October, 1917, the Urgent Deficiency Bill approved an appropriation of \$250,000 for the United States Employment Service. In Jan-

uary, 1918, the President gave from his fund for National Security and Defense \$825,000 and the United States Employment Service was made an independent bureau of the Department of Labor. It had not, however, power to enforce its policies. It had, in the minds of such persons as knew of it, a reputation for distinctly limited service to overcome. It developed offices, personnel, policies and interstate systems of clearance for war labor as rapidly as possible. The immensity of the territory of the United States made the building up of such a system in so short a time tremendously difficult. It had to compete with unscrupulous fee charging agencies and with determined labor grabbers for employers which were fattening on the labor shortage and encouraging labor turnover.

A survey of industrial conditions soon after the Employment Service had begun to build up its machinery, while at the same time trying, as one member of our staff expressed it, "to pull a 1918 load with an 1812 model engine," showed that chaotic competition between the different branches of the national government and between private employers had seriously lowered production. Thousands of private employment agents were continually luring workers from one job to another. Men employed on government work in Buffalo were transported to another government job in San Francisco, only a week later to be carried back to Boston. This anarchy of employment manifestly served the welfare of none. Workers and their families suffered from being ever on the move. Employers were injured because of the inescapable waste due to an extravagant labor turnover. The nation itself was hurt because under these circumstances human energies which might have been directed toward victory were vainly expended in a futile search for the achievement most desired by the government.

Again the lesson was obvious. Without the force of law or coöperation due to enlightened opinion behind it, the Employment Service might still fail in its task. The President by proclamation agreed upon a plan termed "central recruiting." All production departments of the government—the Army, the Navy, and the Emergency Fleet Corporation—bound themselves to employ unskilled labor only through the United States Employment Service. War contractors were enjoined by the President to pursue an

identical policy. Others were asked on the basis of patriotism and good sense to do the same thing. The War Labor Policies Board, composed of representatives of the War, Navy, Labor, and Agriculture Departments, and War Industries Board, the Shipping Board and the Emergency Fleet Corporation, and the Food, Fuel, and Railroad Administrations, presided over by Felix Frankfurter, an assistant to the Secretary of Labor, announced furthermore that any rare recalcitrant employer who refused to coöperate with the government would be penalized. The War Industries Board, with its control of raw materials, the Army and Navy, with their control over contracts, afforded ready means of making the national will effective.

Compulsion was not sought. An appeal was made to the patriotism and to the intelligent self-interest of all concerned. The anarchy of a continuous stealing of labor from one organization for another clearly was profitable to none. It was accordingly an easy matter to obtain unanimous support for the policy of central recruiting, or of the national distribution of the labor supply of the country. Representatives of union labor and of organized management were parties to the discussions and to the negotiations, and each sanctioned the ultimate solution.

The full effects of this practical monopoly of labor placement cannot be measured directly. Central recruiting of common labor for war work was undertaken August 1. In order to facilitate the supplying of labor to the more important projects, recruiting of less than one hundred laborers was temporarily permitted by war employers and non-war concerns. Plans for the extension of central recruiting of skilled labor and woman labor were under way when the armistice cut short war plans. Some indication of the potential effectiveness of a comprehensive federal system of employment offices may be gained from the following figures. From its reorganization last January until the signing of the armistice, the United States Employment Service directed to employment, almost entirely in war industry, including agriculture, approximately 2,500,000 workers. It also increased its local employment offices from 90 to 900 in the same period. These figures represent an increase of about 1000 per cent in both labor finding activities and in the establishment of local employment offices.

The steady rate at which the service has grown in extent and accomplishment is indicated by the fact that in January last 16,642 persons were sent to jobs while during the week ending November 2, the last week but one of war conditions, 162,754 workers were directed—a rate of 650,000 a month. Returns made by employers and workers show that approximately 2,000,000 of the 2,500,000 workers directed were placed. It is impossible to know how many of the balance were placed, owing to the failure of some employers and workers to notify the service of the acceptance of workers or jobs. These totals are proof that the Employment Service has made good. For at the outset of the reorganization it was estimated that the war industries of the country would require between 2,000,000 and 3,000,000 workers up to the end of 1918. Moreover, it was not simply a case of directing to war plants applicants at the local offices of the Employment Service. The service has had literally to “dig up” men from non-war work and help reduce “turnover,” the agencies chiefly being the paid agents of the employment service, the volunteer agents of its Public Service Reserve, and more recently, the community labor boards. Patriotic help was rendered the agents and boards by employers and employes and their organizations.

Statistics on the shift of labor by industries based on these figures would be worthless because the United States Employment Service is not a monopoly in the sense that the Postal Service, or even the Railroad Administration is. The control of the shift of war labor was, however, complete enough during the last three months of the war to allow some errors and successes of method to appear. Chief among the errors, as has been pointed out, was the lack for many months of a centralized agency which could prevent a viciously large labor turnover. Another error inherent in any system that does not specifically guard against it was the recruiting of men unfitted for the work they wished to do. Many men, recruited under the federal system as well as in the early months of the war by private agencies, were sent hundreds of miles upon false or mistaken declarations of their abilities and training. In the case of the United States Employment Service this lack was recognized and a series of trade tests and uniform trade terms prepared, in coöperation with the Committee on Trade Classification of the War Department. This material is



completed and ready for use in the important task of replacing labor after the war where it most properly belongs.

Transportation conditions during the war, with the unexamined strain put upon our railroad systems, and the necessary focusing of men and supplies upon the Atlantic seaboard, make impossible any statement of "error" in the attempt to concentrate labor for war production in the eastern states. It is significant, nevertheless, to note that the various war production and industry bureaus of the government were in the fall months engaged in a survey of all important industrial centers regardless of location, and had in contemplation a wide extension of the geographic area in which war contracts should predominate. Significant in this connection is the difficulty the Employment Service had in some mid-western industrial localities in securing the full force of favorable public opinion. "We are entirely willing to undertake war work," was the explanation of many employers in these sections, "but why should we who have our materials curtailed because we cannot, for geographic reasons, secure war contracts, now give up perhaps permanently, our labor supply? We understand why the boys must be sent to France. We don't see why they and the girls as well must be herded into Eddystone, and Hopewell, Bridgeport and Bethlehem, while we pay taxes to build houses and create costly, temporary towns there."

Foremost among the successes of the war labor recruiting efforts stands the fact that while concentration of war production was the policy, labor could be recruited from other states as far distant as need dictated. It seems safe to say that several important projects were located convenient to transportation and supplies, which could not have been so located unless an interstate system of labor recruiting had been in existence.

Another obvious success of war shifting lies in the closely related movements known commonly as training and dilution. While these subjects are not directly under the supervision of the Employment Service, they are closely connected with its operation. An impetus has been given to the promotion of unskilled and semi-skilled to skilled workers by intensive training that ought to be of permanent value in our industrial development. Now that the provisions of the Smith-Hughes Act make vocational training of our boys and girls a practical and attainable ideal, the shifting of

pupil to worker can be made far more scientific and therefore permanently satisfactory to employer and employe than the old haphazard methods of job finding and of promotion within the plant allowed.

Similarly the scope of women's work and the methods of training her have received impetus. Women have been shifted into an—before the war—unbelievable number of so-called men's occupations, and have in many cases succeeded in learning processes, in keeping up or bettering output records without, so far as present indications show, physical or mental harm in the majority of occupations undertaken. In the metal trades alone, I understand the number of new processes they have taken up runs well over a hundred. How far these women workers can continue to be shifted to more and more highly skilled processes is an unsettled question. The war period was too short to indicate more than success in repetitive, easily learned work in most cases.

Although it is too early to draw any final lesson from shifts of labor during the weeks which have followed the armistice, I cannot refrain from referring briefly to the labor adjustments already made. There was no ministry of reconstruction in this country with a far-reaching program for meeting the emergency. Congress had nothing more definite than a plan for a bipartisan committee yet to be appointed. Even the organized labor element had no definite platform of demands, such as had been prepared and given wide publicity in England. The armistice caught America industrially unprepared for a shift from a war to a peace basis. Notwithstanding this fact, industrial unrest and unemployment have not been evident. There has been no panic.

With these two facts in mind, the lack of an accepted reconstruction program and the absence of the confusion and industrial disturbance which might have been expected to follow the armistice, it seems only wise to credit the agencies which immediately put into action such industrial demobilization machinery as is in use. Two such agencies have been operating. The first is composed of representatives of the United States Employment Service, the War Industries Board, and the production departments of the War, Navy, Shipping Board, and other bureaus which had power to cancel war contracts and indirectly release civilian war workers. These men have been in daily conference. With telegraphic reports from the industrial centers of the country to guide them,

they have held or released contracts in such a way as to stabilize conditions of labor and material shifting.

The other agency also includes the United States Employment Service. Its members represent the morale, personnel and demobilization divisions and the committee on special training of the War Department, the Federal Board of Vocational Training, and the national organizations which have been a part of or have done similar work to the Commission on Training Camp Activities. Agreement has been made to develop throughout the country, wherever any of the agencies has representation, a connection with the United States Employment Service for the return of soldiers and war workers to the industries of their communities however small or remote, and to build a sane strong opinion among employers for their return. The Council of National Defense, in particular, has directed the full force of its machinery, national, state and local, to this end.

The success of these two plans for demobilization which have their center in Washington is dependent upon state and community-organized forces for its development. In each state there is an advisory board to the director of the United States Employment Service made up of representatives of management and labor. In sixteen hundred communities there are similarly constituted community labor boards, locally chosen. Industrial reports on which the War Department and War Industries Board act are telegraphed in from surveys made by these community boards. Community boards are the agencies through which all efforts of local, civic and welfare organizations operate in aiding the return of soldier and war worker to industry. The plan of the United States Employment Service is therefore not paternalistic or compulsory. The machinery of the government is utilized for the development of policies in keeping with national needs and for the clearance of accurate information. Operation of the plans offered and use of the information furnished is a state or local affair. In the first week of operation of the plan of furnishing industrial information more than 90 per cent of the reports were received on time. The trial that has so far been made of the actual demobilization machinery through community boards and coöperating organizations gives promise of very effective work as numbers of the demobilized increase. It gives promise as well of forming the basis for a new and more efficient vehicle for public-spirited action than has hitherto been devised.